

Soybeans started the week well last week but it turned bearish on Thursday and Friday and there is basically nothing new out there that might change the negative bias in this market. The only real chance for a rally is short covering by the funds. If everything is so negative why don't prices just drop you might ask? According to one analyst it is because the huge long in the U.S. market is the South American farmer and producers will eventually sell and sell hard but until then basis levels should remain firm. Monday's weekly export inspection showed some positive numbers and half of the exports were heading to China. On Tuesday late technical selling created new lows for all the contracts out to November and reports that the cash market was starting to weaken encouraged further selling. The gulf basis bids dropped 20 cents by mid week. The positive thing is that world grain and oilseed demand is still strong but the gulf basis drop has, unfortunately caught the attention of the ever influential funds. Corn had a slow week last week and just ended down about 1 cent overall. Weekly export sales were decent last Thursday coming in at 915 thousand metric tons but the yearly sales commitments remain about 2.5 million tons behind last year. This week started well for corn as there was some light speculative short covering after the March contract retested lows at the end of last week but any possible rally is basically impossible because of slow exports, a possible decrease in Asian demand due to the bird flu issue and abundant U.S. corn supplies. According to the DTN analysts the corn market should continue to act in the same way it has over the last few weeks until the March plantings report. Between now and then there will be a battle between large long traders (producers holding cash) and large shorts (the funds). The good news is that there is some evidence that the funds continue to buy back a small amount of their short cash position. Wheat had another weak week last week and tested lows again. Weekly export sales were decent at 452 thousand metric tons yet the yearly export sales commitments remain around 3 million tons behind last year. On Monday, Tuesday and Wednesday wheat headed a little higher but it was certainly lackluster and the support seemed to come from speculative short covering. On the bull side U.S. winter wheat crop ratings lost a bit of condition in January but on the bear side the ratings are still the highest on record.

BASIS TABLE						
LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Mar05)	NEW(Dec05)	CASH (Mar05)	NEW(Nov05)	CASH(Mar05)	NEW(Jul05)
Western MD	+13	n/a	-49	n/a	-3	n/a
Central MD	+14	+2	-28	-41	-12	-5
Southern MD	+10	+10	-20	-35	-30	-30
Upper E. Sh	+24	+3	-7	-25	n/a	-26
Lower E. Sh	+28	+12	-3	-16	-13	-25

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES										
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley			
Date	1/25	2/01	1/25	2/01	1/25	2/01	1/25	2/01		
Western Md	2.10	2.10	4.53	4.58	2.98	2.95	1.83	1.83		
Central MD	2.18	2.11	4.91	4.79	3.27	3.04	2.55	2.25		
Southern MD	2.09	2.07	5.01	4.87	2.67	2.62	----	----		
Upper E. Shore	2.22	2.21	5.14	5.00	----	----	----	----		
Lower E. Shore	2.27	2.25	5.25	5.10	2.77	2.79	1.85	1.85		
Soybean Meal Lower Eastern Shore Dealer's Average Cash quotes (\$/ton)										
Date	1/25		2/01		Date		1/25		2/01	
48% Soybean Meal	198.00		193.00		44% Soybean Meal		187.00		181.00	
FORWARD CONTRACT PRICE-REGIONAL (\$/BU) for Harvest delivery Dealer's Avg Quotes										
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley			
Date	1/25	2/01	1/25	2/01	1/25	2/01	1/25	2/01		
Western Md	----	----	----	----	----	----	----	----		
Central MD	2.35	2.31	5.06	4.86	2.99	3.02	----	----		
Southern MD	2.20	2.19	5.06	4.92	2.82	2.77	1.65	1.65		
Upper E Shore	2.33	2.32	5.16	5.02	2.86	2.81	1.65	1.65		
Lower E Shore	2.42	2.41	5.25	5.11	2.87	2.82	1.70	1.70		
GRAIN FUTURES- Chicago Board of Trade (\$/bu) Settle - Feb 01, 2005										
Corn		Soybeans		Wheat		Soybean Meal ¹				
05Mar	197.00	05Mar	507.00	05Mar	292.20	05Mar	152.70			
05May	204.60	05May	507.00	05May	300.60	05May	152.40			
05Jul	212.00	05Jul	513.00	05Jul	307.20	05Jul	154.70			
05Sep	219.40	05Aug	517.00	05Sep	313.00	05Aug	156.10			
05Dec	229.20	05Sep	519.00	05Dec	320.20	05Sep	157.50			
06Mar	236.20	05Nov	527.00	06Mar	326.00	05Oct	158.20			

¹ \$/ton

HAY AND STRAW															
New Holland, PA - \$/ton - Jan 31, 2005 - 149 Loads															
Alfalfa 75.00-150.00		Mixed Hay 19.00-185.00		Timothy 60.00-165.00		Orchardgrass 60.00-155.00		Straw 85.00-190.00							
Westminster, MD - \$/bale - Feb 01, 2005 - 270 Lots															
Alfalfa 2.40-5.40		Alfalfa Mix 1.30-5.10		Timothy 1.40-3.30		Timothy Mix 1.10-2.20		Grass Mix 1.00-5.70		Straw 1.60-3.80		Mulch .10-1.00			
Southern, MD - Regional Farmers' Market - \$/bale -															
Product		Lo/Hi		Avg Price		Product		Lo/Hi		Avg Price					
Next Sale 2/05/05															
POULTRY (Grade A) - Week Ending - Feb 05, 2005															
		Current Week		Week Ago		Month Ago		Year Ago							
NY Wtd Avg. (Fryers)		70.74		71.58		65.77		73.58							
12 City Composite		71.50		71.64		68.12		72.54							
LAMBS - Westminster, MD - \$/cwt - Feb 01, 2005															
Lambs		80- 90 lbs		105.00-115.00		Sheep									
		130-214 lbs		70.00-112.00		All weights		42.00-120.00							
TERMINAL MARKETS HOGS - Feb 01, 2005					DIRECT MARKET HOGS - Westminster, MD - Feb 01, 2004										
Base Price Range (\$/cwt) a.m.		Carcass Basis Base 185 lb Hog		Sows (1-3) 300-449 lbs		Butcher Hogs		215- 260 lbs Up to 400 lbs		Up to 54.50 Up to 53.50					
Iowa, Minn		63.00-74.75		38.00-51.54											
Eastern Cornbelt		61.50-74.25		N/A		Millsboro, DE Market Hogs - (\$/cwt) -		Next Sale 2/15/05							
FEEDER PIGS - (\$/cwt) -															
Gumboro, DE -					New Holland, PA - Feb 03, 2005										
Head:		Trend:			Head: 6		Trend:								
		Next Sale 2/15/05					All went to slaughter								
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Feb 01, 2005					HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Feb 01, 2005										
Feb05		90.78		Jun05		82.88		Feb05		73.63		Jun05		77.98	
Mar05		91.00		Aug05		80.90		Apr05		75.13		Jul05		74.45	
Apr05		88.50		Oct05		82.58		May05		75.98		Aug05		70.80	
STOCKER-FEEDER CATTLE - (\$/cwt)															
Winchester, VA - Jan 31, 2005					Westminster, MD - Feb 01, 2005										
Steers		200-300 lbs		122.00-126.00		Steers (M&L)		200-300 lbs		96.00-119.00					
		400-500 lbs		110.00-127.50				400-500 lbs		85.00-109.00					
		500-600 lbs		112.00-122.00				600-800 lbs		68.00-80.00					
		600-700 lbs		96.50-105.50		Heifers (M&L)		200-300 lbs		90.00-132.00					
		700-800 lbs		92.00- 95.00											
Heifers		300-400 lbs		112.00-130.00		Hols Bull Calves		80-95 lbs		100.00-147.50					
		400-500 lbs		105.00-113.00		Returned to farm		100-115 lbs		137.50-167.50					
		500-600 lbs		100.50-109.50				120-136 lbs		147.50-172.50					
		600-700 lbs		85.00- 99.00											
		700-800 lbs		81.00- 84.00											
Lancaster, New Holland & Vintage - Week Ending - Feb 05, 2005															
Bull, Holstein		90-120 lbs		132.00-175.00		Plainer		90-120 lbs		60.00-127.00					
Heifers, Hols		90-120 lbs		420.00-600.00		Plainer		90-120 lbs		275.00-310.00					
SLAUGHTER CATTLE (\$/cwt)															
Westminster, MD - Feb 01, 2005															
Fed Steers					Fed Heifers										
Ch		82.50-87.75			Ch		86.00- 90.50								
Low Ch		77.25-81.25			L-Ch		72.50- 74.50								
Select		71.00-77.25			Calves										
Cows					Culls		50.00-100.00								
Breakers		59.50-63.75			Jerseys		6.00-47.50								
Boners		50.00-57.00			Jersey Veal		170-196		94.00-98.00						
Slow & Thin		39.00-Down													
Lancaster, New Holland & Vintage - Week Ending - Feb 05, 2005															
Steers, Choice 2-3		1115-1480 lbs		84.75-88.75		Steady to Firm									
Heifers, Choice		1090-1405 lbs		84.00-87.25		Steady to Firm									
Cows, Breakers 75-80 pct lean				55.25-59.00		Steady to weak									
Bulls, YG 1		1115-1945 lbs		62.00-71.00		\$.50 - \$1.00 higher									

For more information about this report, call 410-841-5740 or write: